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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHINGTON DC

UNCLAS MANAGUA 000706

SENSITIVE
SIPDIS

STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC

E.O. 12958: N/A
TAGS: [ECON](#) [EINV](#) [NU](#)
SUBJECT: NICARAGUA: GON RESOLVES PROPERTY CASE FOR DOMINGO CALERO

REFS: A) MANAGUA 160, B) MANAGUA 694

SUMMARY

1. (SBU) On July 13, U.S. citizen claimant Domingo Calero signed a settlement document, or "finiquito," for the equivalent of \$750,000 in the form of indemnification bonds (BPIs) to resolve his four property claims. Mr. Calero's claims had been previously dismissed by the Government of Nicaragua under Decree 38 (1979). During this waiver year, Mr. Calero's case received significant congressional attention, which may have prompted the GON to settle his claims. Including Mr. Calero's claims, the GON has resolved 47 claims during the 2008-2009 waiver year.

GON RESOLVES CLAERO CASE

2. (U) On July 13, U.S. citizen Domingo Calero, whose land, cattle, and vehicles were confiscated by the Government of Nicaragua (GON) in 1980, signed a "finiquito" to accept compensation of \$865,297 in the form of BPIs. The GON provided the Property Office a copy of the finiquito on July 13. Calero's case represents four property claims registered with the Embassy Property Office.

Claimant	Type of Claim	No. of Claims	Type of Resolution
Domingo Calero	Land, Cattle, Vehicles	4 bonds	

PERSISTENCE PAYS OFF

3. (U) In February 1980, the GON confiscated Mr. Calero's property under Decree 38 (1979), which authorized the government to confiscate property belonging to "allies" of the Somoza family. In 1990, Mr. Calero filed claims against the GON and sought compensation. In 2006, Mr. Calero and the GON negotiated a settlement of approximately \$950,000, but in March 2008 the Ortega Government dismissed his claims under Decree 38 (Ref A). After constant pressure from the Ambassador and the Embassy Property Office to resolve his claims, the GON reopened negotiations with Calero in May. Mr. Calero accepted the GON's settlement offer in June and both sides finalized the deal in July. During this waiver year, his case received significant U.S. congressional attention which may have prompted the GON to finally settle his claims for a face value of \$865,297.

GON RESOLVES 47 CLAIMS SO FAR

4. (SBU) Including Mr. Calero's claims, the GON has resolved 47

claims during the 2008-2009 waiver year. Between July 29, 2008, and July 13, the GON compensated 44 U.S. citizen claims belonging to 28 U.S. citizens via BPIs issued with a face value of 161,679,400 cordobas, approximately \$7,935, 886. A thin secondary market exists for the sale of the bonds, the current price for which ranges between 37 and 50 cents on the dollar. In addition, the courts ruled during the course of this waiver year that property be returned to one U.S. claimant. One claimant signed a lease agreement with the Nicaraguan National Police (NNP) while the NNP builds a new office in order to return the property. The GON also conducted a land swap with one U.S. citizen claimant for another property of comparable value (Ref B).

CALLAHAN